

Republic of the Philippines
Province of Davao del Norte
City of Tagum

OFFICE OF THE MAYOR

BUDGET MESSAGE

**The Honorable Members
Sangguniang Panlungsod
Tagum City**

Ladies and Gentlemen:

In conformity with the provisions of Section 318 of Republic Act 7160, otherwise known as the Local Government Code of 1991, I am submitting herewith the proposed CY 2008 General Fund Annual Budget of the City of Tagum, Province of Davao del Norte involving the total amount of **FOUR HUNDRED SIXTY NINE MILLION PESOS (P469,000,000.00)**.

This proposed Budget contains several overview sections including Financial Summaries and the General Fund Analysis, followed by detailed revenue and expenditure information divided by each department and section. Important features challenges and opportunities, key accomplishments, objectives, and performance measures by major operating division. Departments also describe their proposed budget allocations for each division broken down by type of expenditure, by fund, and programs. The tells the story of the City's services.

A major requirement of the proposed budget is to set forth any salient changes between the prior year and the coming year. This creates opportunity to discuss many of the dynamic changes taking place in the Tagum City government, most of which have significant budget implications. The overriding theme of the CY 2008 budget is living within our means, to fulfill our primary goal: that of addressing the needs of Tagumeños through provision of quality services to our constituents.

This Budget incorporates the programs and projects in the CY 2008 Annual Investment Program into the expenditure program and it expresses our concern in the realization of our thrusts as follows:

Employment Generation

Education

Revenue Generation and Prudent Fiscal Administration

Maintenance of Peace and Order and Public Safety

Infrastructure Development

Agricultural Productivity/Livelihood Development and Promotion

Human Resource/Sports Development

Environment/Shelter Development

Investment/Tourism and Cultural Promotion

Comprehensive Health Services

The balanced General Fund Budget for FY 2008 is composed of the Expenditure Program and Sources of Financing, both amounting to P469,000,000.00 which means an increase of 17% as against our current year's budget.

Shown hereunder is the Expenditure Program and Sources of Financing as illustrated in Exhibits 1 and 2.

Exhibit 1
Expenditure Program (Distribution by Sector)
Budget Year 2008

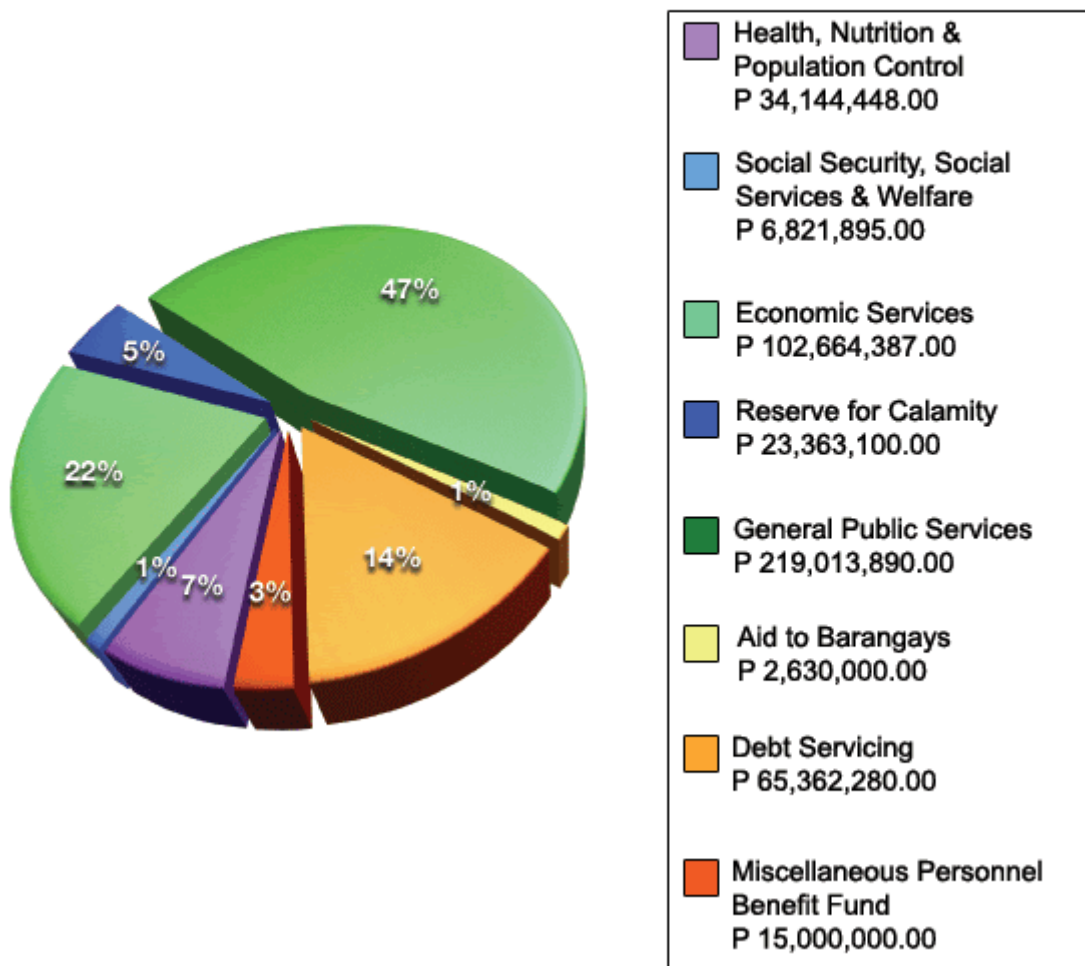
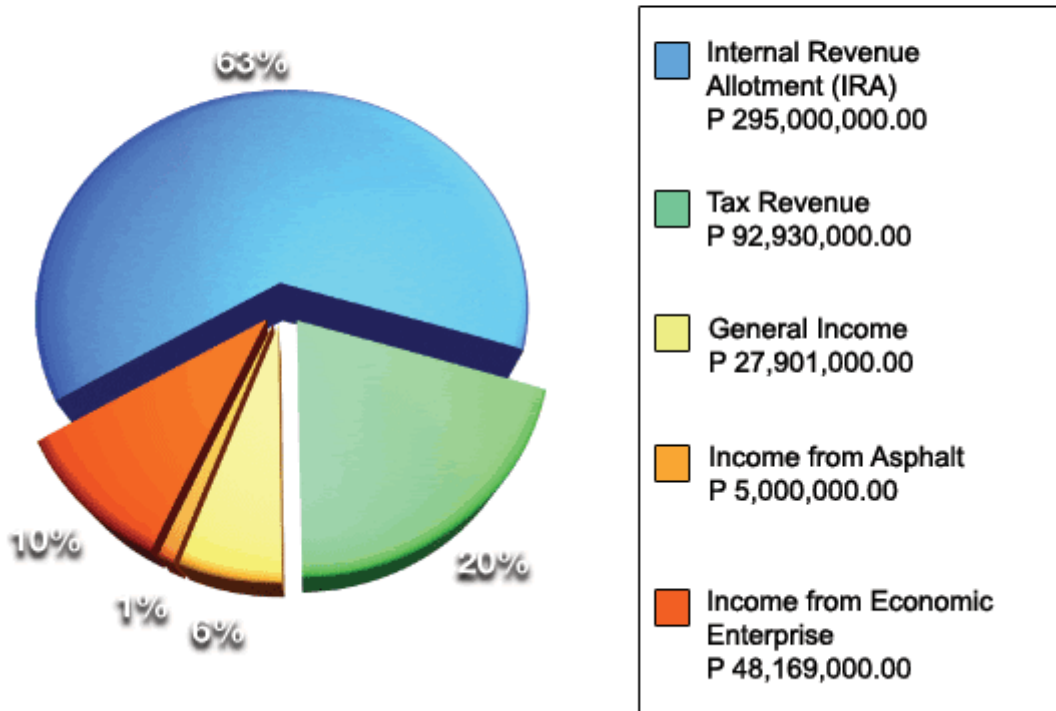


Exhibit 2
DISTRIBUTION BY TYPE OF REVENUE
 Budget Year 2008



The forecasted income/ estimated revenue as certified by the Finance Committee after thorough discussion with the revenue centers amounted to Four Hundred Sixty Nine Million Pesos (P469,000,000.00), Two Hundred Ninety Five Million Pesos (P295,000,000.00) or 63% will be derived from Internal Revenue Allotment and One Hundred Seventy Four Million Pesos (P174,000,000.00) or 37% will be derived from the local sources. An amount of NinetyTwo Million Nine Hundred Thirty Thousand Pesos (P92,930,000.00) and Twenty Seven Million Nine Hundred One Thousand Pesos (P27,901,000.00) are projected for Tax Revenue and General Income accounts respectively. And an amount of Five Million Pesos (P5,000,000.00) as Income from Asphalt Operation for business contracts outside the city.

An estimated amount of Forty Eight Million One Hundred Sixty Nine Thousand Pesos (P48,169,000.00) as income for government business operation will be derived from different economic activities such as operation from Market, Terminal, Slaughterhouse, Cemetery and Cultural and Trade Center.

Continued commitment to economic improvement and fiscal regulations will be instituted in pursuit for the city's significant development especially in terms of infrastructure and giving out quality services to Tagumeños.

And to ensure collection efficiency in attaining our fiscal targets, policies and measures will be adopted as follows:

- Maintain tax collection efficiency through administrative and judicial remedy.
- Examination of the books of accounts
- Public auction of unserviceable property.
- Access to external funds
- Marketing of the asphalt products
- Capability building for all collectors and revenue centers
- Establishment of data bank for business establishments
- Revision/Codification of tax ordinance
- General revision of real properties
- Setting-up of more economic ventures

ALLOCATION OF FUNDS

A summary of our total General Budget Proposal will show the allocation by sector, as follows:

EXHIBIT 3

SECTOR	AMOUNT	% TO TOTAL
General Public Services	219,013,890.00	47%
Health, Nutrition & Population Control	34,144,448.00	7%
Social Security, Social Services & Welfare	6,821,895.00	1%
Economic Services	102,664,387.00	22%
Other Purposes:		
5% Reserve for Calamity	23,362,280.00	5%
Debt Servicing	65,362,280.00	14%
Aid to Barangays	2,630,000.00	1%
Miscellaneous Personnel Benefit Fund	15,000,000.00	3%
Total	469,000,000.00	100%

General Public Services

The major share of the budget goes to this sector which has an allocation of Two Hundred Nineteen Million Thirteen Thousand Eight Hundred Ninety Pesos (P219,013,890.00) or 47% of the total budget that covers expenditures for services which are requisite to the existence of the organization and cannot be allocated to specific sector. This comprises executive and legislative services, overall financial and fiscal services, planning, general research, public order and safety and other centralized services.

Economic Services

We have provided the second biggest share to Economic Services with an allocation of P102.6 Million or 22% of the total budget.

An amount of P4 Million is allocated for the Construction and Improvement of Government Structures.

An amount of P2.5 Million is set aside for Concreting and Asphaltting of Roads around public market and terminal for accessibility and expediency to consumers and the transacting public.

An amount of P3 Million for the continuous rehabilitation and development of La Filipina Public Cemetery.

And a provision of appropriation amounting to P1.4 Million for the Operationalization of City Agricultural and Fishery Program and an additional amount of P.5 Million for the construction of important structures under the City's Agriculture's Office.

An amount of P.4 Million is being set aside for Livestock & Poultry Production Program to augment the meager income of our constituents.

Also, an amount of P5 Million for the Repair & Maintenance of Government Structures and Facilities such as: Electrification, Power and Energy Structures, Government Buildings, Roads, Road Marking/Facilities and Drainage System.

Health, Nutrition and Population Control

7% or P34.1 Million of the total budget allocation is provided for the Health, Nutrition and Population Control to facilitate expenditures for health, medical, dental, nutrition and population control services.

A sum of P5.1 Million has been allocated for the Health and Sanitation Program.

On the other hand, allocations of P5.1 Million, P2 Million and P.6 Million have been appropriated for the delivery of Health Services to our constituents, Nutrition Program and Voluntary Blood Service Program respectively.

Moreover, an amount of P1.5 Million is provided for the implementation of Population Management and Family Planning Program.

Social Security, Social Services and Welfare

The Social Security, Social Services and Welfare is the sector that enlist the welfare of the less-fortunate families, provides the rehabilitation of the physically and socially handicapped

constituents, provide assistance to distressed and displaced individuals and families, care of the aged and other welfare services, expenditures for such has been allocated with an amount of P6.8 Million or representing 1% of the budget.

Other Purposes

5% of the regular income sources or P23,363,100.00 is allocated for the Calamity Fund. On the other hand, the sum of P3 Million and P12 Million is set aside as Lump Sum Appropriation for Reorganization with an aim to place right personel for the roght position based on merit and fitness and for the other personnel benefits and allowances, respectively.

Moreover, an aggregate of P2,630,000.00 is provided for the aid to the twenty three (23) barangays of this city.

The amount of P65.3 Million which represents 14% of the total revenue from regular sources is intended for our debt servicing.

CLASSIFICATION OF EXPENDITURES BY MAJOR EXPENSE CLASS

EXHIBIT 4

PARTICULARS	GENERAL FUND PROPER	ECONOMIC ENTERPRISE	TOTAL
Personal Services	115,898,188.00	10,832,051.00	126,730,239.00
MOOE	82,141,426.00	4,423,000.00	86,564,426.00
Locally Funded Projects	69,065,788.00	8,821,296.00	77,887,084.00
Capital Outlay	33,100,000.00	18,821,296.00	44,869,882.00
20% Development Fund	67,586,089.00	-	67,586,089.00
Financial Expenses	53,039,509.00	12,322,711.00	65,362,280.00
TOTAL	420,831,000.00	48,169,000.00	469,000,000.00

Personal Services

The 27% of the total budget amounting to P126,730,239.00 is the summation of the total expenditures for Personal Services which comprises the lump sum appropriation for reorganization, salaries and wages of employeea and other privileges, benefits and allowances.

It also includes the provision of longevity increases and step increments to qualified personnel, so as granting of Magna Carta Benefits to our devolved health personnel such as : subsistence allowance, laundry allowance, and other benefits.

Maintenance and Other Operating Expenses

To respond to the needs of various offices/sections for its effective performance to its basic mandate and functions an amount of P86,564,426.00 representing 18% of the total budget has been provided

to enable them to achieve their specific goals and targets.

Capital Outlay

The expenditures under Capital Outlay which totaled to P44,869,882.00 or 10% of the total budget also include the provisions of appropriation for development projects and equipment outlays.

Locally Funded Projects

The amount of P77,887,084.00 or 17% of the total expenditures is allocated for the implementation of the city's Peace and Order Program, Projects and Other Development Programs and Activities to ensure the effective and efficient services to the clients.

In addition, new programs/project for CY 2008 under this account has been budgeted intended for Land Dev't & Improvements (Resettlement Village) - P1,000,000.00 for disadvantaged communities.

This budget also gives importance to Sports Development, thus appropriating the amount of P1,400,000.00 for the purpose broken down as follows: Araw ng Tagum Sports Activities-P300,000; Tagum city Summer Sportsfest-P500,000; Tagum City Fiesta Sports Activities-P300,000 and Barangay Sports Activities-P300,000.

We also provided the amount of P2,000,000.00 for the Musikahan sa Tagum considering that Tagumeños are music lovers and to promote our city as the Music Capital of the South.

20% Development Fund

The 23% of the total Internal Revenue Allotment of this city or P67,586,089.00 is set aside for the expenditures under 20% Development Fund which also includes the expenditures for the implementation of the various development programs, projects and activities of the city concentrating on Livelihood, agri-development projects, environment and natural resources, tourism, development projects, knowledge and productivity enhancement as well as infrastructure development.

Honorable Members of the Sanggunian, in the past years, Tagum City has faced many challenges. We have overcome these challenges despite of our scarce financial resources through the qualities that have always made Tagum great: creativity, resolve, and a caring spirit. Our immediate action on this budget is one of the most important thing we can do together. It is through this budget that we can establish our priorities for the year to come. And I look forward to working closely with all of you as we set our direction for a stronger and better Tagum City.

Thank You and More Power.

Very truly yours,



REY T. UY
City Mayor